

**RATE HEP
HOURLY ENERGY PRICING****AVAILABILITY.**

- * Pursuant to 220 ILCS 5/16-107 enacted in Public Act 90-561 on December 16, 1997, this rate is available to any nonresidential customer except such customers to which Rate IPP - Independent Power Producer Service is applicable. All electric service utilized at the customer's premises must be served hereunder, with the exception of Rate 26 - Private Outdoor Lighting and electric power and energy supplied by the customer's own generation located at such premises.

BILL DETERMINATION.

A bill for service hereunder is rendered after each monthly billing period and is calculated using the following formula (before all costs associated with, but not limited to, rentals, taxes, franchise costs, decommissioning expense adjustment, and local government compliance charges):

$$\text{HEP Bill}_{\text{Mo.}} = \text{Access Charge}_{\text{Mo.}} + \sum [\text{Price}_{\text{Hr.}} \times \text{Consumption}_{\text{Hr.}}] + \text{Customer Charge}_{\text{Mo.}}$$

where:

HEP Bill _{Mo.}	=	charges (before all costs associated with, but not limited to, rentals, taxes, franchise costs, decommissioning expense adjustments, and local government compliance charges) for electric service provided hereunder in the monthly billing period;
Access Charge _{Mo.}	=	the customer's Maximum Demand in kW as defined in Rate HEP multiplied by the Monthly Access Charge in \$/kW as provided in Rate HEP;
Σ	=	the summation of all hourly quantities for all hours in the monthly billing period;
Price _{Hr.}	=	Hourly Rate HEP price in \$/kWh determined by the Company as described in the Rate HEP Pricing Methodology section;
Consumption _{Hr.}	=	the customer's actual hourly energy consumption in kWh supplied by the Company in each hour of the monthly billing period. For customers receiving service under Rider 9 - Primary Metering, actual hourly energy consumption in kWh registered at each of the primary metering locations and the corresponding hourly energy consumption in kWh in each hour of the monthly billing period will be reduced by the Metered Kilowatts of Demand Percent Reduction schedule included in Rider 9 for purposes of determining the HEP Bill.

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(Continued from Sheet No. 55.70)

BILL DETERMINATION (CONTINUED).Customer Charge _{Mo.} = the Rate HEP Customer Charge is as follows:

Customer's Expected Maximum Demand (kilowatts)	HEP Customer Charge \$/Month
Less than 500	\$7.12
500 or more, but less than 1,000	\$30.54
1,000 or more, but less than 10,000	\$170.23
10,000 or more	\$471.67

MONTHLY ACCESS CHARGE.

The Monthly Access Charge will be determined separately (1) for all customers with an expected Maximum Demand of less than 1,000 kilowatts; (2) for all customers with an expected Maximum Demand of 1,000 to 3,000 kilowatts; and (3) on an individual basis for each customer with an expected Maximum Demand of 3,000 kilowatts or greater and that has at least twelve consecutive months of billed electrical usage from the Company, as follows:

$$\text{Monthly Access Charge} = [\text{Annual Demand \& Energy Charges} - (\text{Annual Energy Usage} \times \text{Forecasted Energy Price})] \div \$ \text{ Monthly Demands}$$

where:

Monthly Access Charge	= a charge in \$/kW that is applied to the customer's Maximum Demand in each billing period under Rate HEP;
Annual Demand & Energy Charges	= summation of all demand and energy charges billed to the customer in the Base Historical Period, excluding credits for Rider 8, Rider 11, Rider 19, Rider 30, and Rider 32;
Annual Energy Usage	= the customer's total energy consumption supplied by the Company during the Base Historical Period;
Forecasted Energy Price	= an annual forecast of the value of electric energy for the period beginning in June and extending through the following May determined by the Company utilizing the same hourly forward market values, prior to load weighting and application of losses, underlying the Market Value Energy Charges of Rider PPO – Power Purchase Option (Market Index) for the corresponding Applicable Period A. The Forecasted Energy Price will include compensation for line losses and a fixed cost adder equal to 10% of costs, consistent with those used to calculate Price _{Hr.} , as well as seasonal load weighting;

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MONTHLY ACCESS CHARGE (CONTINUED).

Σ Monthly Demands = summation of the Maximum Demands as billed under the applicable rate in the Base Historical Period, including demands for loads that are not otherwise included in the determination of the Maximum Demand.

For a customer with an expected Maximum Demand of 3,000 kW or greater that had been served under Rider 26 or Rider 27, the Annual Demand & Energy Charges will be the same as if the customer had its entire electrical usage billed under Rate 6L. For a customer with an expected Maximum Demand of 3,000 kW or greater that had been served under Rate RCDS, the Annual Demand & Energy Charges will be the same as if the customer had its entire electrical usage billed under Rate 6L.

For a customer with an expected Maximum Demand of 3,000 kW or greater that had been served under Rate 18, the Annual Demand & Energy Charges will be the sum of all the demand and energy charges for Supplemental Service, Standby Service, and Standby Capacity in the Base Historical Period. For such customer, the Annual Energy Usage will be the sum of the energy consumption for Supplemental Service and Standby Service. For such customer, the sum of Monthly Demands will be the summation of the demands for Supplemental Service, and Standby Service.

For a customer with an expected Maximum Demand of 3,000 kW or greater and that has less than twelve consecutive months of billed electrical usage from the Company, the Monthly Access Charge will be determined by the Company after the customer provides an estimate of its expected pattern of electrical consumption. The customer's estimate is subject to review and acceptance by the Company.

- * Notwithstanding the aforementioned provisions of this Monthly Access Charge section, in no event shall the per unit rate determined in the annual computation of the Monthly Access Charge result in the application of charges to customers that are less than the sum of the charges that would have been computed in the application of the Distribution Facilities Charge and Transmission Services and Ancillary Transmission Services Charges and applied to such customers if such customers were being served under Rate RCDS – Retail Customer Delivery Service (Rate RCDS) and Rider ISS – Interim Supply Service (Rider ISS).

The Monthly Access Charge for all customers served under Rate HEP will be adjusted on an annual basis in the June billing period. The annual adjustment of the Monthly Access Charge will incorporate the most current Forecasted Energy Price. The Forecasted Energy Price will be the only component of the Monthly Access Charge that is updated during this annual adjustment. Each time that the Company updates the Monthly Access Charge, it will file with the Illinois Commerce Commission, for informational purposes, the applicable charges along with workpapers detailing their determination as provided herein.

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(Continued from Sheet No. 55.74)

PRICING METHODOLOGY (CONTINUED).

Market Off-Peak Prices

Market Off-Peak Prices (MOPP_{Day}), in cents per kilowatt-hour, will be determined utilizing the historical daily transaction data of the day-ahead spot-market for the delivery of electric power and energy for the region most closely related to the Company's service territory for the period from 12:00 a.m. to 6:00 a.m. and from 10:00 p.m. to 12:00 a.m. from Monday through Friday, exclusive of days of delivery for which no transaction data is reported. MOPP_{Day} will be determined by averaging the midpoints of the daily trading ranges of the daily transaction data for the previous calendar month available at the time MOPP_{Day} is determined. The MOPP_{Day} will apply to all hours during the period 12:00 a.m. to 6:00 a.m. and from 10:00 p.m. to 12:00 a.m. of each day (Market Off-Peak Period). A Weekend Adjustment Factor (WAF) will be applied to MOPP_{Day} for each weekend day or holiday. The WAF will be determined with the same two years of PJM West Price data utilized in determining MPPH_{Hr} and will be recalculated annually when such data are updated. The WAF will be calculated as the average of the PJM West Price data for all hours of the Market Off-Peak Period on weekends or holidays divided by the average of the PJM West Price data for all hours during the Market Off-Peak Period for all days not including weekends or holidays.

The Company will use the Power Markets Week's *Daily Price Report*, or such one or more similar reporting service(s) as are proposed by the Company and approved by the Illinois Commerce Commission, as the source of this daily transaction data.

PRICE NOTIFICATION AND RESPONSIBILITIES.

The Company will electronically post the Hourly Rate HEP prices to a secure web page for access by customers served hereunder on a daily basis by 7:00 p.m. for the following day. The Hourly Rate HEP prices will be in the form of twenty-four hourly prices beginning with the 12:00 a.m. (midnight) to 1:00 a.m. hour of the following day. There will be twenty-three hourly prices for the first Sunday of Central Daylight Savings Time and twenty-five hourly prices for the Sunday of return to Central Standard Time.

The Company is not responsible for a customer's failure or inability to access the Hourly Rate HEP prices for any reason. If a customer cannot access these Hourly Rate HEP prices for any reason, it is the customer's responsibility to inform the Company so that the Hourly Rate HEP prices may be supplied.

*** TERM OF SERVICE.**

The term of service hereunder is one year. Such term of service shall be automatically renewed annually at the end of the initial and each subsequent term of service. Notwithstanding the previous provisions of this paragraph, a customer may terminate service hereunder by giving the Company advance written notice at least sixty (60) days prior to the date on which the customer requests service hereunder to be terminated, provided such notice is accepted by the Company. Such notice shall be accepted by the Company and service hereunder shall be terminated on such date, if the customer, on or prior to such date, fulfills all prerequisites for, and on such date commences service under such other applicable rates and riders that it may select and for which it is eligible.

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